

**IN THE UNITED STATES DISTRICT COURT
FOR THE EASTERN DISTRICT OF VIRGINIA
Alexandria Division**

MICROSOFT CORPORATION, a Washington corporation,)	
Plaintiff,)	
v.)	
DOMINIQUE ALEXANDER PIATTI, an individual; DOTFREE GROUP S.R.O., a Czech limited liability company, and ANDREY N. SABELNIKOV, an individual, CONTROLLING A COMPUTER BOTNET THEREBY INJURING MICROSOFT AND ITS CUSTOMERS)	Civil Action No: 1:11cv1017 (JCC/IDD)
Defendants.)	

STATUS REPORT

Microsoft respectfully submits this Status Report, apprising the Court of recent developments in this case. On August 3, 2012, the Court entered an Order to Show Cause regarding service of the defendant Mr. Sabelnikov. (D.I. 34). On August 8, 2012, Microsoft filed a response to the Order to Show Cause, submitting declarations, authority and proofs of service establishing service of process. (D.I. 35-40). At that time, Microsoft anticipated that by August 23, either negotiations would result in a resolution of the case or Microsoft would move for entry of default. Since that time, negotiations between Microsoft and Mr. Sabelnikov have advanced substantially. In order to afford the parties time to finalize an agreement and attempt to resolve this matter without unnecessary litigation, Microsoft anticipates that it will need one additional week, until August 30, 2012, to attempt to conclude negotiations.

Microsoft hereby provides notice to the Court that the parties are actively continuing their efforts to settle this matter, and respectfully requests that the Court afford the parties until August 30, 2012 to attempt to finalize their negotiations.

Dated: August 23, 2012

Respectfully submitted,

ORRICK, HERRINGTON & SUTCLIFFE LLP

/s/ Christopher M. O'Connell

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CERTIFICATE OF SERVICE

I hereby certify that on this 23rd day of August 2012, a true and correct copy of the foregoing pleading or paper was served using the Court's CM/ECF system. I further certify that the following parties and third parties will receive service by FedEx, electronic means and publication as indicated below:

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